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DE RUEHC #9376/01 0340004  
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O 022355Z FEB 09  
FM SECSTATE WASHDC  
TO RUEHKL/AMEMBASSY KUALA LUMPUR IMMEDIATE 0854  
RUEHLO/AMEMBASSY LONDON IMMEDIATE 1951  
RUEHFR/AMEMBASSY PARIS IMMEDIATE 2720  
INFO EU MEMBER STATES COLLECTIVE IMMEDIATE  
RHEHNSC/NSC WASHINGTON DC IMMEDIATE 2514  
RUEATRS/TREASURY DEPT WASHINGTON DC IMMEDIATE 0109

C O N F I D E N T I A L SECTION 01 OF 02 STATE 009376

SIPDIS

E.O. 12958: DECL: 02/02/2019  
TAGS: [EFIN](#) [ETTC](#) [KNNP](#) [IR](#) [UK](#)  
SUBJECT: JOINT US-UK-FRANCE DEMARCHE TO MALAYSIA ON BANK  
MELLAT

REF: A. LONDON 257  
    [B.](#) CHALMERS-JOHNSON EMAIL 2 FEB 2009  
    [C.](#) MARTIN-KHROUNEK EMAIL 2 FEB 2009  
    [D.](#) CHALMERS-MATTHEWS EMAIL 2 FEB 2009

Classified By: ISN Acting A/S Eliot Kang, for reasons 1.4 (b) and (d).

[¶1.](#) (U) This is an action request. Please see paragraph 2.

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OBJECTIVES/ACTION REQUEST  
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[¶2.](#) (C) Washington requests embassies pursue the following  
objectives:

FOR EMBASSIES LONDON AND PARIS:

-- Convey to appropriate host government officials in the  
foreign affairs ministry (REF A) our support for a joint  
approach with the UK and France in Kuala Lumpur warning  
against the establishment of a Bank Mellat subsidiary in  
Labuan.

-- Note that the United States has shared information with  
the government of Malaysia (GOM), and is preparing to share  
more once the information becomes available, that is similar  
to the information that we have shared with the UK and France  
(Ref B and C).

-- Note that we are directing our mission in Kuala Lumpur to  
participate in the joint demarche scheduled with the GOM  
Ministry of Foreign Affairs on February 4.

FOR EMBASSY KUALA LUMPUR ONLY:

-- Participate in a joint demarche to the GOM with the UK and  
France warning against the establishment of a Bank Mellat  
subsidiary in Labuan.

-- Prior to the demarche, inform the UK and French demarche  
participants that the U.S. has shared points on Bank Mellat  
with the GOM that are similar to the points we have shared  
with the UK and France (Ref D). In addition, reiterate our  
support for cautioning GOM about the risks involved with  
allowing a Bank Mellat subsidiary to open.

-- Underscore to the GOM that the U.S. shares the serious  
concerns held by the UK and France with regard to the  
establishment of a Bank Mellat subsidiary in Labuan.

-- Remind the GOM that Bank Mellat and all of its offices  
worldwide have been designated by the U.S. under Executive  
Order (E.O.) 13382 and may be designated by the EU and/or the  
UN. The proposed Labuan-based subsidiary of Bank Mellat  
would therefore likely be subject to sanctions by the United

States under this same order. U.S. sanctions against a Malaysian-based Iranian-owned financial institution could draw unfavorable international attention to Malaysia's financial sector.

-- Urge GOM to heed the call of UNSCR 1803, adopted on March 4, 2008, which "(c)alls on all member states to exercise vigilance over the financial activities of banks in their territories with all banks domiciled in Iran, and their branches and subsidiaries abroad, particularly Bank Mellî and Bank Saderat."

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REPORTING DEADLINE  
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¶3. (U) Post should report results within seven business days of receipt of this cable. Please slug replies for ISN, T, EAP, EUR, TREASURY, and NEA. Please use the caption SIPDIS in all replies.

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POINT OF CONTACT  
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¶4. (U) Washington point of contact for follow-up information is Jennifer Chalmers, ISN/CPI, (202) 647-9715 and Dan

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Bischof, EAP/MTS, (202) 647-4932.

¶5. (U) Department thanks Post for its assistance.  
CLINTON